

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

RITA VARSAM, individually and on behalf of other members of the general public similarly situated, and as aggrieved employees, Plaintiff,

Case No.: 14cv2719 BTM(JMA)

**ORDER GRANTING IN PART
AND DENYING IN PART
MOTION TO DISMISS AND
DENYING MOTION TO STRIKE**

vs.

LABORATORY CORPORATION
OF AMERICA, DBA LAB. CORP.,
a Delaware Corporation; and
DOES 1 through 100, inclusive,
Defendant.

On November 24, 2014, Defendant filed a motion to dismiss the Complaint.

in its entirety under Fed. R. Civ. P. 12(b)(6) and a motion to strike under Fed. R.

Civ. P. 12(f). For the reasons discussed below, Defendant's motion to dismiss is

GRANTED IN PART and **DENIED IN PART**. Defendant's motion to strike is
DENIED.

I. BACKGROUND

On June 3, 2014, Plaintiff commenced this action in the Superior Court of California, County of San Diego. Plaintiff is suing on behalf of herself and a purported class consisting of “all persons who worked as non-exempt Patient

1 Service Technicians for Defendants in California, within four years prior to the filing
2 of this complaint until date of certification." (Compl. ¶ 16.)

3 Plaintiff alleges that she and all non-exempt Patient Service Technicians
4 ("PSTs") "worked in excess of eight (8) hours in a day, in excess of twelve (12)
5 hours in a day, and/or in excess of forty (40) hours in a week." (Compl. ¶ 40.)
6 Plaintiff further alleges that she and all non-exempt PSTs "regularly worked off-
7 the-clock that should have been compensated at an overtime rate," and that
8 "Defendants discouraged Plaintiff and class members from working any time past
9 their scheduled shifts on the clock while at the same time requiring them to
10 complete assigned tasks and not accurately record their time worked." (Compl. ¶
11 40.) Plaintiff describes how Defendant had a practice of failing to properly
12 coordinate and schedule a sufficient amount of staff. (Compl. ¶¶ 40, 54, 61.) As a
13 result, Plaintiff alleges, she and putative class members were "unable to finish their
14 assigned tasks within their scheduled hours" and "were forced to clock out but
15 continue working" during meal and rest periods or after their scheduled shift ended.
16 (Compl. ¶¶ 40, 45, 54, 61.) According to Plaintiff, "Defendants had a practice
17 and/or policy of not paying all premiums due for meal break violations" and "wilfully
18 failed to pay Plaintiff and class members who are no longer employed by
19 Defendants" for those unpaid wages. (Compl. ¶¶ 54, 67.)

1 Plaintiff asserts eight causes of action against Defendant Laboratory
2 Corporation of America (“LabCorp”): (1) violation of California Labor Code §§ 510
3 and 1198 (unpaid overtime); (2) violation of California Labor Code §§ 1194, 1197,
4 and 1197.1 (unpaid minimum wages); (3) violation of California Labor Code §§
5 226.7 and 512(a) (unpaid meal period premiums); (4) violation of California Labor
6 Code § 226.7 (unpaid rest period premiums); (5) violation of California Labor Code
7 §§ 201 and 202 (wages not timely paid upon termination); (6) violation of California
8 Labor Code § 226(a) (non-complaint wage statements); (7) violation of California
9 Labor Code §§ 2698, *et seq.* (Private Attorney General’s Act or “PAGA”); and (8)
10 violation of California Business & Professions Code §§ 17200, *et seq.* (“UCL”)
11 (unfair and harmful business practices). (Compl. ¶¶ 7–18.) Plaintiff seeks
12 damages, statutory penalties, civil penalties, injunctive relief, and attorney’s fees.
13 (Compl. Prayer for Relief ¶ 1.)

14 On November 17, 2014, Defendant removed this action pursuant to 28
15 U.S.C. §§ 1332, 1441, 1446, as amended by the Class Action Fairness Act of
16 2005, Pub. L. No. 109-2, 118 Stat. 4 (“CAFA”).

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1 **II. DISCUSSION**

2 Defendant moves to dismiss, arguing that the Complaint “is almost entirely
3 devoid of factual allegations” and therefore fails to state claims for all of the counts
4 alleged. Additionally, Defendant argues that Plaintiff’s PAGA claims should be
5 dismissed because (1) Plaintiff has failed to plead facts establishing administrative
6 exhaustion required by PAGA; and (2) Plaintiff does not have Article III standing to
7 bring a “representative” claim under PAGA. Defendant also moves to strike the
8 prayer for injunctive relief, references to California Labor Code §§ 204 and 558,
9 and the classwide allegations. The court will address each of these arguments in
10 turn.

11

12 **A. Motion to Dismiss**

13

14 **1. Legal Standard**

15 A motion to dismiss should be granted only where a plaintiff’s complaint lacks
16 a “cognizable legal theory” or sufficient facts to support a cognizable legal theory.
17 Shroyer v. New Cingular Wireless Services, Inc., 622 F.3d 1035, 1041 (9th Cir.
18 2010). Allegations in the complaint are only entitled to the presumption of truth if
19 they contain “sufficient allegations of underlying facts to give fair notice and to
20 enable the opposing party to defend itself effectively.” Starr v. Baca, 652 F.3d

1 1202, 1216 (9th Cir. 2011). Detailed factual allegations are not required, but factual
2 allegations “must be enough to raise a right to relief above the speculative level.”
3 Bell Atlantic v. Twombly, 550 U.S. 544, 555 (2007).

4 “A plaintiff’s obligation to prove the ‘grounds’ of his ‘entitle[ment]’ to relief
5 requires more than labels and conclusions, and a formulaic recitation of the
6 elements of a cause of action will not do.” Twombly, 550 U.S. at 555. “[W]here the
7 well-pleaded facts do not permit the court to infer more than the mere possibility of
8 misconduct, the complaint has alleged—but it has not show[n]—that the pleader is
9 entitled to relief.” Ashcroft v. Iqbal, 556 U.S. 662, 679 (2009) (internal quotation
10 marks omitted). Establishing a complaint’s plausibility is a “context-specific”
11 endeavor that requires courts to “draw on . . . judicial experience and common
12 sense.” Eclectic Props. E., LLC v. Marcus & Millichap Co., 751 F.3d 990, 996 (9th
13 Cir. 2014).

14

15 **2. Failure to Pay Overtime and Minimum Wages**

16 Defendant argues that the alleged “discourage[ment]” of overtime that
17 created a situation where employees worked off-the-clock is insufficient to state a
18 claim. (Doc. 4-1 at 5–7.) However, courts have held that if an employer makes it
19 difficult for employees to take a break or undermines a formal policy of providing
20 meal and rest periods, there are sufficient grounds to find a violation of the

1 California Labor Code. See, e.g., Fobroy v. Video Only, Inc., 2014 WL 6306708,
2 at *2 (N.D. Cal. Nov. 14, 2014); Davenport v. Wendy's Co., 2014 WL 3735611, at
3 *6 (E.D. Cal. July 28, 2014); Fields v. West Marine Products Inc., 2014 WL 547502,
4 at *5 (N.D. Cal. Feb. 7, 2014); Brinker Rest. Corp. v. Superior Court, 53 Cal.4th
5 1004, 1040 (2012).

6 Relying on Landers v. Quality Comm. Inc., 771 F.3d 638, 644–45 (9th Cir.
7 2014), Defendant also argues that Plaintiff fails to allege a “*particular instance* in
8 which ‘she worked more than forty hours in a given workweek without being
9 compensated for the overtime hours worked during that workweek.’” (Doc. 4-1 at
10 3) (emphasis added). Contrary to Defendant’s claim, Landers does not require that
11 a “*particular instance*” be pled. In Landers the Ninth Circuit explained:

12 [A] plaintiff may establish a plausible claim by estimating the length of
13 her average workweek during the applicable period and the average
14 rate at which she was paid, the amount of overtime wages she believes
15 she is owed, or any other facts that will permit the court to find
16 plausibility. Obviously, with the pleading of more specific facts, the
17 closer the complaint moves toward plausibility. However, like the other
circuit courts that have ruled before us, we decline to make the
approximation of overtime hours the *sine qua non* of plausibility for
claims After all, most (if not all) of the detailed information
concerning a plaintiff-employee’s compensation and schedule is in the
control of the defendants.

18 Id. at 645. Other courts have agreed that plaintiffs need not plead particular
19 instances of unpaid overtime before being allowed to proceed to discovery. See
20 Davenport, 2014 WL 3735611, at *5.

1 Defendant contends that, under Forrester v. Roth's IGA Foodliner, Inc., 646
2 F.2d 413 (9th Cir. 1981) and Jong v. Kaiser Found. Health Plan, Inc., 226
3 Cal.App.4th 391 (2014), there is a requirement that “any off-the-clock or overtime
4 work – under both federal and state law – must be ‘suffered and permitted’ to be
5 actionable.” (Reply at 3.) Defendant’s reliance on these cases is misplaced. The
6 “suffered and permitted” requirement only applies to claims under the Fair Labor
7 Standards Act (FLSA), not those under the California Labor Code. Davenport,
8 2014 WL 3735611, at *5; Washington v. Crab Addison, Inc., 2010 WL 2528963, at
9 *3 (N.D. Cal. June 18, 2010).

10 Plaintiff alleges not only that Defendant “discouraged” her and putative class
11 members from clocking overtime, but also that Defendant “failed to schedule a
12 sufficient number of PSTs for their locations. . . .” (Compl. ¶ 40.) Moreover, Plaintiff
13 alleges that members of the putative class worked more than forty hours a week
14 and that when employees “regularly worked off-the-clock that should have been
15 compensated at an overtime rate,” they were required to “not accurately record
16 their time worked.” (Compl. ¶ 40.) These allegations create a plausible claim for
17 failure to pay overtime and minimum wages. The allegations also provide
18 Defendant with sufficient notice to defend itself effectively.

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1 **3. Meal and Rest Period Violations**

2 Plaintiff alleges that she and other class members, “[a]s with meal periods,
3 were forced to clock out for ‘scheduled’ rest periods but [were not paid] for such
4 rest periods.” (Compl. ¶¶ 53, 61.) Plaintiff further alleges that Defendants “failed
5 to schedule a sufficient number of employees and strongly discouraged additional
6 time being worked beyond scheduled shifts,” and “forced” putative class members
7 “to clock out but continue working, wait extended periods of time before taking a
8 meal period, or have their meal period interrupted by Defendants’ managers.”
9 (Compl. ¶ 54.) Plaintiff asserts that “Defendants’ failure to properly staff and
10 coordinate the schedules of Plaintiff and class members, and their policy of
11 strongly discouraging any additional hours being worked beyond scheduled shifts,
12 forced Plaintiff and class members to work through all or part of their rest breaks.”
13 (Compl. ¶ 61.)

14 Defendant argues that Plaintiff has only offered a “formulaic recitation of the
15 elements of a cause of action” and has not pled sufficient facts to state a claim.
16 (Doc 4-1 at 9.) Defendant claims that Plaintiff’s factual allegations only show that
17 she was busy. (Doc 4-1 at 7.) However, as discussed above, if an employer makes
18 it difficult for employees to take a break or undermines a formal policy of providing
19 meal and rest periods there are grounds to find a violation of the California Labor
20 Code. According to the Complaint, Defendant did exactly that. Plaintiff’s allegations

1 go beyond a “formulaic recitation” of elements, and provide sufficient factual detail
2 to state a claim.

3

4 **4. Waiting Time Penalties**

5 California Labor Code § 203 provides, “[i]f an employer willfully fails to pay .
6 . . any wages of an employee who is discharged or who quits, the wages of the
7 employee shall continue as a penalty from the due date thereof at the same rate
8 until paid” for a maximum of 30 days. Courts have found that an allegation of
9 deliberately implementing a policy “of not paying owed wages” is sufficient to
10 satisfy the willful requirement of § 203. Davenport, 2014 WL 3735611, at *7–8
11 (quoting Yuckming Chiu v. Citrix Sys., Inc., 2011 WL 6018278, at *5 (C.D. Cal.
12 Nov. 23, 2011)). Section 203 also requires that the plaintiff allege that some
13 putative class members have left the company and have failed to receive the
14 wages due to them. Id. at *7–8 (quoting Yuckming, 2011 WL 6018278, at *5).

15 Defendant claims that Plaintiff has not properly alleged that the violations
16 have been “willful.” However, in addition to alleging that Defendant “wilfully failed
17 to pay” owed wages, as discussed above, Plaintiff has alleged facts of a regular
18 practice by Defendant of requiring Plaintiff and class members to work off-the-clock
19 during meal periods, rest periods, and after scheduled shifts. Plaintiff also alleged
20 facts of a regular practice by Defendant of not paying overtime or premiums for

1 missed meals and rest breaks. Based on these facts, it can reasonably be inferred
2 that Defendant deliberately failed to pay wages that it knew were owed. The
3 Complaint also includes the allegation that Plaintiff was employed by Defendant
4 for “approximately 8 years ending in 2013.” (Compl. ¶ 20.) Therefore, Plaintiff has
5 alleged sufficient facts to meet the requirements for waiting time penalties under §
6 203.

7

8 **5. Wage Statement Violations**

9 To state a claim under California Labor Code § 226, an employee must have
10 “suffer[ed] injury as a result of a knowing and intentional failure by an employer” to
11 provide accurate wage statements. Cal. Lab. Code § 226(e). Defendant argues
12 that Plaintiff’s claim that Defendant “knowingly and intentionally” failed to provide
13 accurate wage statements is conclusory. But as discussed above, Plaintiff has
14 alleged sufficient facts from which it can be inferred that Defendant deliberately
15 failed to pay wages for time worked and, therefore, knew that it was providing
16 inaccurate wage statements.

17 Defendant also argues that plaintiff has failed to allege sufficient facts of
18 injury. Labor Code § 226(e) was amended in 2013 to reflect legislative intent that
19 the injury requirement not be stringent. 2012 Cal. Legis. Serv. Ch. 843 (S.B. 1255).

1 Section 226(e) currently states, “[a]n employee is deemed to suffer injury for
2 purposes of this subdivision if the employer fails to provide accurate and complete
3 information . . . and the employee cannot promptly and easily determine from the
4 wage statement alone . . . the amount of the gross wages or net wages” owed to
5 the employee. Cal. Lab. Code. § 226(e); See also, Davenport, 2014 WL 3735611,
6 at *7; Elliot v. Spherion Pacific Work, LLC, 572 F.Supp.2d 1169, 1181 (C.D. Cal.
7 2008).

8 Plaintiff alleges that “Defendants have intentionally and willfully failed to
9 provide employees with complete and accurate wage statements,” and that she
10 “has been prevented by Defendants from determining if all hours worked were paid
11 and the extent of the underpayment,” necessitating this lawsuit and “causing
12 Plaintiff to incur expenses and lost time.” (Compl. ¶¶ 73, 75.) In light of the
13 language of §226(e), Plaintiff has sufficiently pled her claim of wage statement
14 violations.

15

16 **6. PAGA and UCL Claims**

17 Plaintiff’s seventh and eighth causes of action are brought under PAGA and
18 the UCL. As Defendant correctly points out, these claims are derivative of Plaintiff’s
19 first six causes of action. See Davenport, 2014 WL 3735611, at *8 (collecting state
20 cases to show that in California, violations of the Labor Code permit action under

1 PAGA and the UCL). Because Plaintiff has sufficiently pled her other causes of
2 action, she has also sufficiently pled her claims under PAGA and the UCL.

3 **a. PAGA and Article III Standing**

4 Defendant attacks Plaintiff's standing to bring a PAGA claim on the ground
5 that, outside of class certification, Plaintiff does not have standing for injuries she,
6 herself, has not suffered. Defendant contends that because Plaintiff's Complaint
7 states that she "seeks assessment and collection of unpaid wages and civil
8 penalties for ... all other aggrieved employees[,]” Article III and prudential standing
9 problems arise. The Court disagrees.

10 In 2004, California enacted PAGA as a means of improving enforcement of
11 the labor and employment laws, which legislators feared were weakened by an
12 understaffed Labor and Workforce Development Agency ("LWDA"). Cunningham
13 v. Leslie's Poolmart, Inc., 2013 WL 3233211, at *5 (C.D. Cal. June 25, 2013); Arias
14 v. Superior Court, 46 Cal.4th 969, 980 (2009). Through PAGA, an "aggrieved
15 employee" may bring a civil action against an employer "on behalf of himself or
16 herself and other current or former employees" when an employer has violated the
17 California Labor Code. Cal. Lab. Code. §2699(a).

18 Whether a PAGA claim must be certified under Fed. R. Civ. P. 23 is an open
19 question. Baumann v. Chase Investment Services Corp., 747 F.3d 1117, 1124 (9th
20 Cir. 2014). In Arias, the California Supreme Court held that PAGA does not require

1 plaintiffs to meet state class-certification requirements under California Code of
2 Civil Procedure § 382. Arias, 46 Cal.4th at 975. A majority of the district courts
3 have followed Arias and held that representative claims brought under PAGA are
4 sufficiently different from class action lawsuits and do not need certification under
5 Rule 23. Alcantar v. Hobart Service, 2013 WL 146323, at *2-3 (C.D. Cal. Jan. 14,
6 2013) (collecting cases and discussing the majority opinion among district courts
7 in the Ninth Circuit).

8 Although the Ninth Circuit in Baumann refrained from deciding whether a
9 PAGA claim must be certified under Rule 23, it did state, “[a] PAGA action is at
10 heart a civil enforcement action filed on behalf of and for the benefit of the state,
11 not a claim for class relief.” Baumann, 747 F.3d at 1124. “Unlike a class action
12 seeking damages or injunctive relief for injured employees, the purpose of PAGA
13 is to incentivize private parties to recover civil penalties for the government that
14 otherwise may not have been assessed and collected by overburdened state
15 agencies.” Ochoa-Hernandez v. Cjaders Foods, Inc., 2010 WL 1340777 at *4 (N.D.
16 Cal. Apr. 2, 2010). Aggrieved employees are “deputized to step into the shoes of
17 the LWDA and pursue its interests in enforcement” of labor and employment laws.
18 Thomas v. Aetna Health of California, Inc., 2011 WL 2173715, at *5, *17 (E.D. Cal.
19 June 2, 2011). Seventy-five percent of any recovered civil penalties are distributed
20 to the LWDA with the balance going to the aggrieved employees “who initiated the

1 claim under PAGA, not to the group of aggrieved employees on whose behalf the
2 claim was prosecuted.” Leslie’s Poolmart, Inc., 2013 WL 3233211, at *6, n.1
3 (discussing how penalties recovered in PAGA claims are distributed).

4 The Court agrees with the majority view that a PAGA claim is not governed
5 by Rule 23. Because PAGA suits are fundamentally different than class actions,
6 there is no “direct collision” between PAGA and Rule 23. See Hanna v. Plumer,
7 380 U.S. 460 (1965). In the absence of “direct conflict,” the Court must determine
8 whether PAGA is “substantive” or “procedural” under Erie R.R. Co. v. Tompkins,
9 304 U.S. 64 (1938). Goldberg v. Pacific Indem. Co., 627 F.3d 752, 755 (9th Cir.
10 2010). To assist courts in classifying a law as “substantive” or “procedural,” the
11 Supreme Court has propounded an “outcome determination” test, under which the
12 court first asks, “[D]oes it significantly affect the result of a litigation for a federal
13 court to disregard a law of a state that would be controlling in an action upon the
14 same claim by the same parties in a State court?” Gasperini v. Center for
15 Humanities, Inc., 518 U.S. 415, 427 (1996) (quoting Guaranty Trust Co. v. York,
16 326 U.S. 99, 109 (1945)). In answering this question, courts must be guided by the
17 “twin purposes of . . . discouragement of forum-shopping and avoidance of
18 inequitable administration of the laws.” U.S. ex rel. Newsham v. Lockheed Missiles
19 & Space Co., Inc., 190 F.3d 963, 973 (9th Cir. 1999) (quoting Hanna, 380 U.S. at
20 468).

1 The Court finds that PAGA is outcome determinative in light of the twin aims.
2 If plaintiffs were not allowed to bring representative PAGA claims in federal court,
3 the state could not recover civil penalties in federal court and the potential liability
4 of defendants would be significantly reduced. The purpose of PAGA, to provide
5 incentives for private individuals to pursue the interests of the state in enforcement
6 of the labor laws, would be completely undermined. Accordingly, the Court
7 concludes that PAGA is outcome determinative and that there are no overriding
8 federal interests requiring application of Rule 23. See Byrd v. Blue Ridge Rural
9 Elec. Coop., Inc., 356 U.S. 535, 537-39 (1958). Therefore, representative PAGA
10 claims may proceed in federal court.

11 Having decided that Rule 23 does not govern Plaintiff's PAGA claims, the
12 question remains whether a plaintiff has Article III standing to bring a PAGA claim.
13 For the reasons discussed below, the Court finds that there is no standing
14 impediment to Plaintiff's PAGA claims.

15 PAGA actions are, essentially, a "type of *qui tam*" action. Leslie's Poolmart,
16 Inc., 2013 WL 3233211, at *7. The Supreme Court and the Ninth Circuit have both
17 held that plaintiffs bringing *qui tam* suits have standing under an assignment
18 theory. Vermont Agency of Natural Resources v. United States ex rel. Stevens,
19 529 U.S. 765 (2000) ("Vermont"); United States ex. rel. Kelly v. Boeing Co., 9 F.3d
20 743 (1993). The assignment of the government's interest to a plaintiff provides an

1 “adequate basis for the [plaintiff’s] suit for his bounty” because “the assignee of a
2 claim has standing to assert the injury in fact suffered by the assignor.” Vermont,
3 529 U.S. at 773. The Ninth Circuit clarified that, in the context of *qui tam* suits, a
4 statute need not use explicit language of assignment. Boeing Co., 9 F.3d at 748
5 (“It is well established that terms of art are not required for valid assignment. The
6 assignor need not even use the word ‘assign.’”) (internal quotations omitted).

7 The reasoning for finding that plaintiffs in *qui tam* suits have standing applies
8 equally here. PAGA actions are basically *qui tam* suits, where plaintiffs are
9 “deputized” by the government to pursue civil penalties when employers have
10 violated California labor laws. Thus, based on an assignment theory, plaintiffs
11 bringing claims under PAGA in a representative capacity have Article III standing.

12

13 **b. PAGA Administrative Exhaustion**

14 California Labor Code § 2699.3 provides that, before commencing a suit
15 under PAGA, “aggrieved employee[s]” must “give written notice by certified mail to
16 the [LWDA] and the employer of the specific provisions of this code alleged to have
17 been violated, including the facts and theories to support the alleged violation,” and
18 wait until receipt of notice from the LWDA that it will not investigate the grievance,
19 or 33 calendar days, whichever is shorter. Under § 2699.3(a), letters of notice
20 provided to the LWDA must contain “facts and theories specific to the plaintiff’s

1 principal claims; merely listing the statutes allegedly violated or reciting the
2 statutory requirements is insufficient.” Amey v. Cinemark USA Inc., 2015 WL
3 2251504, at *13 (N.D. Cal. May 13, 2015) (quoting Ovieda v. Sodexo Operations,
4 LLC, 2013 WL 3887873, at *3 (C.D. Cal. July 3, 2013)); Archila v. KFC U.S.
5 Properties, Inc., 420 Fed.Appx. 667 (9th Cir. 2011) (stating that to exhaust
6 administrative remedies under PAGA, notice to the LWDA must contain “facts and
7 theories” which support a plaintiff’s allegations). After exhausting administrative
8 remedies as set forth above, a party bringing a civil action must plead compliance
9 with the pre-filing notice and exhaustion requirements. Cal. Lab. Code § 2699.3;
10 Thomas v. Home Depot USA Inc., 527 F. Supp. 2d 1003 (N.D. Cal. 2007); see
11 also Caliber Bodyworks, Inc. v. Superior Court, 134 Cal. App. 4th 365, 370–371
12 (2005) (dismissing a PAGA claim because a plaintiff had not pled compliance with
13 Cal. Lab. Code § 2699.3).

14 After listing the statutory requirements of PAGA, Plaintiff pleads that “[p]rior
15 to the commencement of this action, Plaintiff properly complied with the exhaustion
16 requirements of the LWDA. As of June 3, 2014, the LWDA has not stated that it
17 intends to investigate Plaintiff’s claims” This allegation, even taken as true, is
18 insufficient. To plead compliance with the exhaustion requirements, Plaintiff should
19 first list “(1) when [Plaintiff] notified the LWDA about the . . . violations, (2) what, if
20 any, response [s]he received from the LWDA, or (3) how long [s]he waited before

1 commencing this action.” Kemp v. Int'l Bus. Machines Corp., 2010 WL 4698490,
2 at *3 (N.D. Cal. Nov. 8, 2010). Additionally, Plaintiff should plead what “facts and
3 theories,” which would qualify as sufficient notice, have been provided to the
4 LWDA. Without these sorts of factual details, Plaintiff is only asserting a legal
5 conclusion, insufficient to support a claim. Twombly, 550 U.S. at 555.

6 Although Plaintiff alleges that on June 3, 2014, the date of filing the
7 Complaint, the LWDA had not stated an intention to investigate the claims, Plaintiff
8 does not allege the date on which she notified the LWDA about the violations, how
9 long she waited, or the types of “facts and theories” she provided to the LWDA.
10 Based on her allegations, the Court is unable to conclude that Plaintiff has waited
11 the required minimum of 33 days. Therefore, Plaintiff’s seventh cause of action
12 under PAGA is dismissed. The Court grants Plaintiff leave to amend her Complaint
13 to allege facts establishing that the exhaustion requirements have been met.

14

15 **B. Motion to Strike**

16

17 **1. Injunctive Relief**

18 Defendant moves to strike Plaintiffs request for injunctive relief on the ground
19 that Plaintiff, as a former employee, lacks standing to bring such a claim. Rule 12(f)
20 states that a district court “may strike from a pleading an insufficient defense or

1 any redundant, immaterial, impertinent, or scandalous matter.” Fed. R. Civ. P.
2 12(f). Plaintiff’s claim for injunctive relief is none of these. The Ninth Circuit has
3 held that “Rule 12(f) of the Federal Rules of Civil Procedure does not authorize a
4 district court to dismiss a claim for damages on the basis it is precluded as a matter
5 of law.” Whittlestone, Inc. v. Handi-Craft Co., 618 F.3d 970, 976 (9th Cir. 2010).
6 Because a motion to dismiss under Federal Rule of Civil Procedure 12(b)(6) allows
7 defendants to challenge the legal sufficiency of complaints, allowing 12(f) motions
8 to serve the same purpose would create redundancies in the Federal Rules of Civil
9 Procedure. Id. at 974.

10 However, Defendant is correct that Plaintiff does not have Article III standing
11 to pursue injunctive relief under the UCL. The Supreme Court has held that
12 “plaintiffs no longer employed by [a defendant] lack standing to seek injunctive or
13 declaratory relief against its employment practices.” Walmart Stores, Inc. v. Dukes,
14 ___ U.S. ___, 131 S.Ct. 2541, 2559–60 (2011). Similarly, the Ninth Circuit has held
15 in cases specifically arising under the UCL that injunctive relief is precluded as a
16 matter of law for plaintiffs no longer employed by defendant companies. Ellis v.
17 Costco Wholesale Corp., 657 F.3d 970, 986 (9th Cir. 2011); Hangarter v. Provident
18 Life and Accident Ins. Co., 373 F.3d 998, 1021–22 (9th Cir. 2004). Accordingly,
19 Plaintiff’s claim for injunctive relief under the UCL is dismissed.

1 **2. References to §§ 204 and 558**

2 Defendant argues that Cal. Labor Code §§ 204 and 558 do not provide for a
3 private right of action. Alternatively, Defendant contends that even under PAGA,
4 California Labor Code § 558 is not a claim that may be derivatively pursued
5 because it is not listed in § 2699.5, which provides that a PAGA suit may be
6 brought for violations of specified Labor Code sections.¹ (Doc 4-1 at 16–19.)
7 However, PAGA provides, “Notwithstanding any other provision of law, *any*
8 provision of this code that provides for a civil penalty to be assessed and collected
9 by the [LWDA] . . . may . . . be recovered through a civil action brought by” a proper
10 plaintiff. Cal. Lab. Code. § 2699(a) (emphasis added).

11 The Complaint references § 558 for purposes of identifying the amounts to
12 be assessed in civil penalties for violations of §§ 510 and 512, not to assert a
13 freestanding claim of violation. (Compl. ¶ 84.) Both §§ 510 and 512 are listed in §
14 2699.5. Therefore, Defendant’s insistence that references to §§ 208 and 558 be
15 stricken is in error. Although, Plaintiff’s seventh cause of action is dismissed for
16 failure to establish exhaustion of administrative remedies, Plaintiff may reassert
17 references to §§ 208 and 558 in her amended complaint.

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20 ¹ Plaintiff makes clear in her opposition that she is seeking §§ 204 and 558 penalties under PAGA.

1 **3. Class allegations**

2 Defendant moves to strike the class allegations, citing the requirements for
3 class certification under Rule 23 as described in Comcast Corp. v. Behrend, ___
4 U.S. ___, 133 S.Ct. 1426 (2012). But Comcast concerned a motion for class
5 certification, not initial pleadings. While class allegations can be stricken at the
6 pleadings stage if the claim could not possibly proceed on a classwide basis, “it is
7 in fact rare to do so in advance of a motion for class certification.” Cholakyan v.
8 Mercedes-Benz USA, LLC, 796 F.Supp.2d 1220, 1245 (C.D. Cal. June 30, 2011).
9 It is more appropriate for such arguments to be presented at the class certification
10 stage of the litigation. Fields v. W. Marine Products Inc., 2014 WL 547502, at *9
11 (N.D. Cal. Feb. 7, 2014); Thorpe v. Abbott Labs., Inc., 534 F.Supp.2d 1120, 1125
12 (N.D. Cal. 2008). Therefore, Defendant’s motion to strike Plaintiff’s class
13 allegations is denied.

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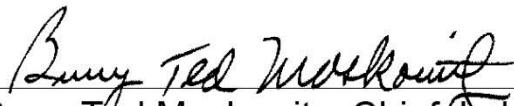
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1 **III. CONCLUSION**

2 For the reasons discussed above, Defendant's motion to dismiss is
3 **GRANTED IN PART** and **DENIED IN PART**. Plaintiff's seventh cause of action
4 and claim for injunctive relief are **DISMISSED**. The Court grants Plaintiff leave to
5 file an amended complaint only remedying the deficiencies identified with respect
6 to the seventh cause of action. If Plaintiff chooses to file an amended complaint,
7 the complaint must be filed within 30 days of the entry of this Order. If no amended
8 complaint is filed, Defendant's Answer is due within 45 days of the entry of this
9 Order. Defendant's motion to strike is **DENIED**. Since the Court has considered
10 all of Defendant's arguments, no further motion to dismiss will be considered
11 without leave of the Court. Defendant shall file an answer within 15 days of filing
12 of an amended complaint. Defendant may file a motion for summary judgment on
13 the basis of failure to exhaust the PAGA claim.

14 **IT IS SO ORDERED.**

15 Dated: August 3, 2015


Barry Ted Moskowitz, Chief Judge
United States District Court